

ORIGINAL

OPEN MEETING ITEM



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COMMISSIONERS
KRISTIN K. MAYES - Chairman
GARY PIERCE
PAUL NEWMAN
SANDRA D. KENNEDY
BOB STUMP



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Executive Director

ARIZONA CORPORATION COMMISSION

2009 AUG 26 A 11:47

DATE: AUGUST 25, 2009

DOCKET NOS: S-20569A-07-0702

AZ CORP COMMISSION
DOCKET CONTROL

TO ALL PARTIES:

Enclosed please find the recommendation of Administrative Law Marc E. Stern. The recommendation has been filed in the form of an Opinion and Order on:

FERENC ("FRANK") J. CSAMPAI AND JANE DOE CSAMPAI, HUSBAND AND WIFE, INDIVIDUALLY AND DOING BUSINESS AS GLOBAL AVIATION FUEL SYSTEMS AND ROBERT N. NEKLEWICZ AKA ROBERT NEIL STOCK (CRD# 8984776) AND JANE DOE NEKLEWICZ, HUSBAND AND WIFE, INDIVIDUALLY AND DOING BUSINESS AS GLOBAL AVIATION FUEL SYSTEMS.
(NOTICE OF OPPORTUNITY)

Pursuant to A.A.C. R14-3-110(B), you may file exceptions to the recommendation of the Administrative Law Judge by filing an original and thirteen (13) copies of the exceptions with the Commission's Docket Control at the address listed below by 4:00 p.m. on or before:

SEPTEMBER 3, 2009

The enclosed is NOT an order of the Commission, but a recommendation of the Administrative Law Judge to the Commissioners. Consideration of this matter has tentatively been scheduled for the Commission's Open Meeting to be held on:

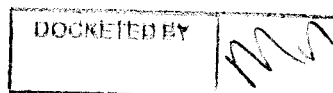
SEPTEMBER 10, 2009

For more information, you may contact Docket Control at (602) 542-3477 or the Hearing Division at (602) 542-4250. For information about the Open Meeting, contact the Executive Director's Office at (602) 542-3931.

Arizona Corporation Commission

DOCKETED

AUG 26 2009



ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

1200 WEST WASHINGTON STREET, PHOENIX, ARIZONA 85007-2927 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

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1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 KRISTIN K. MAYES - Chairman
4 GARY PIERCE
5 PAUL NEWMAN
6 SANDRA D. KENNEDY
7 BOB STUMP

8 IN THE MATTER OF:

9 FERENC ("Frank") J. CSAMPAI and
10 JANE DOE CSAMPAI, husband and wife,
11 individually and doing business as GLOBAL
12 AVIATION FUEL SYSTEMS

13 and

14 ROBERT N. NEKLEWICZ AKA ROBERT NEIL
15 STOCK (CRD# 8984776) and
16 JANE DOE NEKLEWICZ, husband and wife,
17 individually and doing business as GLOBAL
18 AVIATION FUEL SYSTEMS,

19 Respondents.

DOCKET NO. S-20569A-07-0702

DECISION NO. _____

OPINION AND ORDER

20 DATES OF PRE-HEARING CONFERENCES: February 27 and May 29, 2008

21 DATE OF HEARING: July 15, 2008

22 PLACE OF HEARING: Phoenix, Arizona

23 ADMINISTRATIVE LAW JUDGE: Marc E. Stern

24 APPEARANCES: Robert N. Neklewicz, *In Propria Persona*; and

25 Ms. Wendy Coy, Senior Counsel, Securities
26 Division, on behalf of the Arizona Corporation
27 Commission

28 **BY THE COMMISSION:**

On December 27, 2007, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Temporary Order to Cease and Desist ("T.O.") and a Notice of Opportunity for Hearing ("Notice") against Ferenc J. Csampai and Jane Doe Csampai, husband and wife, individually and d/b/a Global Aviation Fuel Systems ("GAFS") and Robert N. Neklewicz a/k/a Robert Neil Stock and Jane Doe Neklewicz, husband and wife, individually and d/b/a GAFS (collectively "Respondents"), in which the Division alleged that the Respondents committed multiple

1 violations of the Arizona Securities Act ("Act") in connection with the offer and sale of securities in
2 the form of investment contracts.

3 Respondents were duly served with copies of the Notice.

4 On February 4, 2008, Respondent, Robert N. Nekliewicz, filed a request for hearing and his
5 Answer.

6 On February 6, 2008, by Procedural Order, a pre-hearing conference was scheduled for
7 February 27, 2008.

8 On February 27, 2008, the Division appeared through counsel. Mr. Nekliewicz appeared
9 telephonically on his own behalf. Issues concerning the case were discussed along with future
10 scheduling matters. The Division and Mr. Nekliewicz agreed to the scheduling of a hearing.

11 On February 29, 2008, by Procedural Order, a hearing was scheduled on May 20, 2008.

12 On March 5, 2008, a request for hearing and Answer, both of which were unsigned, were filed
13 by Respondent, Ferenc J. Csampai.

14 On March 10, 2008, by Procedural Order, a pre-hearing conference was scheduled on March
15 25, 2008, in response to the Mr. Csampai's request for hearing.

16 On March 24, 2008, the Division filed a request for a continuance of the hearing which was
17 scheduled to commence on May 20, 2008, due to the unavailability of its only witness. During a
18 teleconference later that day with the Division's counsel and Respondent Nekliewicz, it was disclosed
19 that Respondent Csampai was undergoing chemotherapy and would be unavailable for the pre-
20 hearing conference scheduled on March 25, 2008. Subsequently, by Procedural Order, the pre-
21 hearing conference was continued to May 29, 2008. It was further ordered that the hearing scheduled
22 for May 20, 2008, be continued to July 15, 2008.

23 On May 29, 2008, neither Mr. Csampai nor Mr. Nekliewicz entered an appearance at the pre-
24 hearing conference. The Division appeared with counsel. After a brief discussion, the proceeding
25 was recessed.

26 On July 15, 2008, a full public hearing was commenced before a duly authorized
27 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. Mr. Nekliewicz was
28 present on his own behalf, but Mr. Csampai did not appear. The Division was present with counsel.

1 At the outset, the Division indicated that it had reached an agreement with Mr. Neklewicz and would
2 be filing a Consent Order for the Commission's approval.¹ At the Division's request, the proceeding
3 was recessed and resumed later in the day for the presentation of evidence. When the proceeding
4 resumed, Mr. Csampai again did not appear and the Division was present with counsel. Following
5 the conclusion of the hearing, the matter was taken under advisement pending submission of a
6 Recommended Opinion and Order to the Commission.

7 * * * * *

8 Having considered the entire record herein and being fully advised in the premises, the
9 Commission finds, concludes, and orders that:

10 **FINDINGS OF FACT**

11 1. Ferenc ("Frank") J. Csampai is an individual residing in Las Vegas, Nevada and at all
12 relevant times was the director of maintenance for GAFS.

13 2. At all relevant times, Mr. Csampai was unmarried.

14 3. Although Mr. Csampai had requested a hearing, he neither appeared nor presented any
15 evidence at the hearing in this proceeding.

16 4. In support of the allegations raised in the T.O. and Notice with respect to Mr.
17 Csampai's alleged violations of the Securities Act, the Division called only one witness, Mr. Michael
18 Rice, a special investigator for the Division.

19 5. Based on the Commission's records, Mr. Csampai was not registered as a securities
20 salesman or dealer in Arizona and the investment contracts in the GAFS offering had not been
21 registered as a security for sale to investors.

22 6. Mr. Rice testified concerning the procedure utilized by the Division to review ads in
23 newspapers and on the internet for investment opportunities and that, as a result, the offering by Mr.
24 Csampai and Mr. Neklewicz involving GAFS had been assigned to him for further investigation
25 resulting in the T.O. and Notice which were issued by the Commission on December 27, 2007.
26 (Tr. at p. 8)

27 _____
28 ¹ On August 21, 2008, the Commission issued Decision No. 70467 which was a Consent Order with respect to
Respondent, Robert N. Neklewicz.

1 7. Based on the Division's investigation, from October 2007 through December 2007,
2 Mr. Csampai had been involved in the offer of an investment to members of the public by means of
3 advertising on "Craig's List/Phoenix" ("Craig's List") on the internet. In the offering materials for
4 GAFS, Mr. Csampai's and Mr. Nekliewicz's names were prominently featured representing that
5 investors were guaranteed a 20 percent rate of return, but could more likely earn a 40 to 60 percent
6 return on their investment with no risk. (Ex. S-2)

7 8. According to Mr. Rice, the offering in which Mr. Csampai was involved required
8 minimum investments of \$10,000 with a maximum of up to \$100,000 in order to provide capital for
9 GAFS to increase its parts inventory, primarily rebuilt Boeing fuel pumps, for Boeing 737 jet
10 airliners, that GAFS reconditioned and would then resell to their "contacts around the world."
11 (Tr. at p. 12) (Ex. S-2)

12 9. Promotional materials for the offering outlined a scenario whereby a minimum
13 \$10,000 investment could produce a \$2,000 profit plus a return of principal in as little as 12 months.

14 10. During Mr. Rice's investigation, he contacted and spoke with Mr. Nekliewicz about the
15 offering and was told that GAFS was a Federal Aviation Administration ("FAA") certified repair
16 station for jet fuel pumps.² (Tr. at p. 19)

17 11. In a promotional document received from the Respondents, a document captioned
18 "Boeing Fuel Pump Inventory Investment Program" displayed GAFS', Mr. Csampai's and Mr.
19 Nekliewicz's names in bold print at the top of the first page. (Ex. S-4)

20 12. GAFS promotional materials downloaded from the internet featured Mr. Csampai as a
21 member of "key personnel" where he was listed as the Director of Maintenance. (Ex. S-4)

22 13. According to Mr. Rice, Mr. Csampai's name was included in offering materials
23 because it was intended that he distribute the materials to friends and family members. (Tr. at p. 16)

24 14. Mr. Rice testified that there were no investors in this offering which was discovered as
25 a result of a proactive investigation by the Division. (Tr. at p. 21)

26 15. Under the circumstances, we believe that the Division has established by a
27

28 ² Subsequently, Mr. Rice confirmed that GAFS was licensed by the FAA to overhaul jet fuel pumps.

1 preponderance of the evidence that Mr. Csampai violated the Act in the offer of a security which was
2 neither registered nor exempt from registration and he acted as an unregistered salesman or dealer.

3 **CONCLUSIONS OF LAW**

4 1. The Commission has jurisdiction over this matter pursuant to Article XV of the
5 Arizona Constitution and A.R.S. § 44-1801, *et seq.*

6 2. The investment in the form of investment contracts offered by Mr. Csampai were
7 securities within the meaning of A.R.S. § 44-1801.

8 3. The securities were neither registered nor exempt from registration, in violation of
9 A.R.S. § 44-1841.

10 4. Respondent Ferenc J. Csampai acted as a dealer and/or salesman within the meaning
11 of A.R.S. § 44-1801(9) and (22).

12 5. The actions and conduct of Respondent Ferenc J. Csampai constitute the offer of
13 securities within the meaning of A.R.S. § 44-1801(15).

14 6. Respondent Ferenc J. Csampai offered unregistered securities for sale within or from
15 Arizona in violation of A.R.S. § 44-1841.

16 7. Respondent Ferenc J. Csampai offered securities for sale within or from Arizona
17 without being registered as a dealer and/or salesman in violation of A.R.S. § 44-1842.

18 8. Respondent Ferenc J. Csampai violated the Act and should cease and desist pursuant
19 to A.R.S. § 44-2032 from any future violation of A.R.S. §§ 44-1841 and 44-1842 and all other
20 provisions of the Act.

21 9. The actions and conduct of Respondent Ferenc J. Csampai constitute multiple
22 violations of the Act and are grounds for an Order for administrative penalties pursuant to
23 A.R.S. § 44-2036.

24 **ORDER**

25 IT IS THEREFORE ORDERED that pursuant to the authority granted to the Commission
26 under A.R.S. § 44-2032, Respondent Ferenc J. Csampai shall cease and desist from his actions
27 described hereinabove in violation of A.R.S. §§ 44-1841 and 44-1842.
28

1 IT IS FURTHER ORDERED that pursuant to the authority granted to the Commission under
2 A.R.S. § 44-2036, Respondent Ferenc J. Csampai shall pay an administrative penalty for the violation
3 of A.R.S. § 44-1841, the sum of \$1,250 and for the violation of A.R.S. § 44-1842, the sum of \$1,250
4 for a total of \$2,500.

5 IT IS FURTHER ORDERED that pursuant to the authority granted to the Commission under
6 A.R.S. § 44-2036, that Respondent Ferenc J. Csampai shall pay the administrative penalty ordered
7 hereinabove in the amount of \$2,500 payable by either cashier's check or money order payable to
8 "the State of Arizona" and presented to the Arizona Corporation Commission for deposit in the
9 General Fund for the State of Arizona.

10 IT IS FURTHER ORDERED that if Respondent Ferenc J. Csampai fails to pay the
11 administrative penalty ordered hereinabove, any outstanding balance plus interest at the maximum
12 level amount may be deemed in default and shall be immediately due and payable, without further
13 notice.

14 IT IS FURTHER ORDERED that if Respondent Ferenc J. Csampai fails to comply with this
15 Order, any outstanding balance shall be in default and shall be immediately due and payable without
16 notice or demand. The acceptance of any partial or late payment by the Commission is not a waiver
17 of default by the Commission.

18 IT IS FURTHER ORDERED that default shall render Respondent Ferenc J. Csampai liable to
19 the Commission for its cost of collection and interest at the maximum legal rate.

20 ...

21 ...

22 ...

23 ...

24 ...

25 ...

26 ...

27 ...

28 ...

IT IS FURTHER ORDERED that if Respondent Ferenc J. Csampai fails to comply with this Order, the Commission may bring further legal proceedings against the Respondent including application to the Superior Court for an Order of Contempt.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

CHAIRMAN

COMMISSIONER

COMMISSIONER

COMMISSIONER

COMMISSIONER

IN WITNESS WHEREOF, I, ERNEST G. JOHNSON, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this ____ day of _____, 2009.

ERNEST G. JOHNSON
EXECUTIVE DIRECTOR

DISSENT _____

DISSENT _____

MES:db

SERVICE LIST FOR:

FERENC ("FRANK") J. CSAMPAI AND JANE DOE
CSAMPAI, HUSBAND AND WIFE, INDIVIDUALLY
AND DOING BUSINESS AS GLOBAL AVIATION
FUEL SYSTEMS AND ROBERT N. NEKLEWICZ AKA
ROBERT NEIL STOCK (CRD# 8984776) AND JANE
DOE NEKLEWICZ, HUSBAND AND WIFE,
INDIVIDUALLY AND DOING BUSINESS AS
GLOBAL AVIATION FUEL SYSTEMS

DOCKET NO.:

S-20569A-07-0702

Ferenc J. Csampai
c/o GLOBAL AVIATION FUEL SYSTEMS
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